

3Adopted: 2016

1st Reading:

Revised: 10/24/2019

2nd Reading:

210 CONFLICT OF INTEREST

I. PURPOSE

The purpose of this policy is to observe state statutes regarding conflicts of interest for charter school board members, employees, and to engage in charter school business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety.

II. GENERAL STATEMENT OF POLICY

The policy of the charter school board is to conform to statutory conflict of interest laws and act in a manner that will avoid any conflict of interest or the appearance thereof.

III. CONFLICTING BUSINESS RELATIONSHIPS

- A. An individual is prohibited from serving as a member of the charter school board of directors if the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. An individual is prohibited from serving as a board member if an immediate family member is an employee of the school. A violation of this prohibition renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates this prohibition is individually liable to the charter school for any damage caused by the violation.
- B. No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when: (1) the board member, employee, officer, or agent; (2) the immediate family of the board member, employee, officer, or agent; (3) the partner of the board member, employee, officer, or agent; or (4) an organization that employs, or is about to employ, any individual in clauses (1) to (3), has a financial or other interest in the entity with which the charter school is contracting. A violation of this provision renders the contract void.
- C. Any employee, agent, or board member of the authorizer of a charter school who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the board of directors of a school chartered by that authorizer.

- D. The charter school board member conflict of interest provisions does not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the board of directors.
- E. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, and agents of the school may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the school may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, or agents of the school.
- F. An organizational conflict of interest, if the school district is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.
- G. The school district must disclose in writing any potential conflict of interest to MDE in accordance with applicable federal awarding agency policy.

IV. DISCIPLINARY ACTION

- A. Any employee, officer, or agent of the school found to be violating this policy will be subject to disciplinary action by the school board up to and including removal from duties and/or termination of employment.

Legal References: Minn. Stat. § 124E.14 (Charter Schools; Conflict of Interest)